

AIRPORT DISTRICT NO. 1
BEAUREGARD PARISH POLICE JURY
PARISH OF BEAUREGARD
DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT

DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/21/10

Table of Contents

	Statement	Page(s)
INDEPENDENT AUDITOR'S REPORT	-	1-2
BASIC FINANCIAL STATEMENTS:		
Statement of Net Assets	A	4
Statement of Activities	B	5
Statement of Net Assets – Proprietary Fund	C	6
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund	D	7
Statement of Cash Flows – Proprietary Fund	E	8-9
Notes to the Financial Statements	-	10-14
	Schedule	Page(s)
Other Reports		
Schedule of Prior Year Audit Findings	1	16
Schedule of Current Year Audit Findings and Management's Response	2	17
Schedule of Expenditures of Federal Awards	3	18
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		19-20
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance In Accordance with OMB Circular A-133		21-22
Schedule of Findings and Questioned Costs	4	23

John A. Windham, CPA

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Airport District No. 1 of
the Parish of Beauregard
State of Louisiana

I have audited the accompanying financial statements of the business-type activities, of Airport District No. 1 of the Parish of Beauregard, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Airport District No. 1 of the Parish of Beauregard's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Airport District No. 1 of the Parish of Beauregard, as of December 31, 2009, and the changes in financial position and cash flows, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 21, 2010, on my consideration of Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants, agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Airport District No. 1 of the Parish of Beauregard, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements

Board of Commissioners
Airport District No. 1 of
the Parish of Beauregard
State of Louisiana

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport District No. 1 of the Parish of Beauregard's financial statements as a whole. The schedule of prior year audit findings, and current year audit findings and management's response are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedules of prior year audit findings and current year audit findings and management's response have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.



DeRidder, Louisiana
May 21, 2010

BASIC FINANCIAL STATEMENTS

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement A

Statement of Net Assets
December 31, 2009

	Business-Type Activities - Enterprise Fund
Assets	
Current Assets	
Cash	\$ 76,976
Receivables:	
Grants	3,758
Accounts	7,790
Inventory	34,067
Prepaid insurance	5,923
Total current assets	<u>\$ 128,514</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 177,259
Capital assets being depreciated - net	5,772,084
Total noncurrent assets	<u>\$ 5,949,343</u>
Total assets	<u><u>\$ 6,077,857</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 17,274
Salaries payable	3,599
Total current liabilities	<u>\$ 20,873</u>
Net Assets	
Invested in capital assets	\$ 5,949,343
Unrestricted	107,641
Total net assets	<u>\$ 6,056,984</u>
Total liabilities and net assets	<u><u>\$ 6,077,857</u></u>

The accompanying notes are an integral part of this statement.

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement of Activities
For the Year Ended December 31, 2009

Program Activities	Expenses	Program Revenues			Business-Type Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Business-type activities:					
Airport	\$ 702,558	\$ 534,797	\$ 7,406	\$ 566,149	\$ 405,794
General revenues:					
Investment earnings					
Net assets at beginning of year					
Net assets at end of year					
				Total general revenues	207
				Change in net assets	207
					406,001
					5,650,983
					\$ 6,056,984

The accompanying notes are an integral part of the statement.

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement C

Statement of Net Assets
Proprietary Fund
December 31, 2009

	Business-Type Activities - Enterprise Fund
Assets	
Current Assets	
Cash	\$ 76,976
Receivables:	
Grants	3,758
Accounts	7,790
Inventory	34,067
Prepaid insurance	5,923
Total current assets	<u>\$ 128,514</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 177,259
Capital assets being depreciated - net	5,772,084
Total noncurrent assets	<u>\$ 5,949,343</u>
Total assets	<u><u>\$ 6,077,857</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 17,274
Salaries payable	3,599
Total current liabilities	<u>\$ 20,873</u>
Net Assets	
Invested in capital assets	\$ 5,949,343
Unrestricted	107,641
Total net assets	<u>\$ 6,056,984</u>
Total liabilities and net assets	<u><u>\$ 6,077,857</u></u>

The accompanying notes are an integral part of this statement.

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement D

Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the Year Ended December 31, 2009

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenues:	
Charges for services	
Fuel sales	\$ 173,357
Water sales	4,511
Timber sales	179,756
Rentals and leases	176,874
Miscellaneous	299
Total operating revenues	<u>\$ 534,797</u>
Operating expenses:	
Personal services	\$ 184,646
Supplies and materials	5,923
Fuel	129,515
Contractual services	117,236
Utilities	45,721
Travel	2,825
Depreciation	216,692
Total operating expenses	<u>\$ 702,558</u>
Income (loss) from operations	<u>\$ (167,761)</u>
Nonoperating revenues (expenses)	
Investment income	<u>\$ 207</u>
Loss before capital contributions	\$ (167,554)
Capital contributions	<u>573,555</u>
Change in net assets	\$ 406,001
Net assets at beginning of year	<u>5,650,983</u>
Net assets at end of year	<u><u>\$ 6,056,984</u></u>

The accompanying notes are an integral part of this statement.

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 535,125
Cash payments to suppliers for goods and services	(291,244)
Cash payments to employees for services	(181,047)
Net cash provided by operating activities	<u>\$ 62,834</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (640,876)
Contributed capital received	573,436
Net cash used for capital and related financing activities	<u>\$ (67,440)</u>
Cash flow from investing activities:	
Interest on cash and investments	<u>\$ 207</u>
Net increase (decrease) in cash and cash investments	\$ (4,399)
Cash and Cash investments, beginning	<u>81,375</u>
Cash and Cash investments, ending	<u>\$ 76,976</u>
	(Continued)

The accompanying notes are an integral part of this statement.

Airport District No. 1
Beauregard Parish Police Jury
DeRidder, Louisiana

Statement E

Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2009

	Business-Type Activities - <u>Enterprise Funds</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:	
Income (loss) from operations	<u>\$ (167,761)</u>
Adjustments to reconcile income (loss) from operations to net cash used by operating activities:	
Depreciation	\$ 216,692
Change in assets and liabilities:	
Decrease in accounts receivable	328
Increase in inventory	(1,745)
Increase in accounts payable	11,825
Increase in prepaid insurance	(104)
Increase in salaries payable	3,599
Net cash used by operating activities	<u>\$ 62,834</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

Airport District No. 1

Notes to the Financial Statements As of and for the Year Ended December 31, 2009

INTRODUCTION

Airport District No. 1 of the Parish of Beauregard was created by the Beauregard Parish Police Jury through the adoption of Resolution 58-88 dated December 13, 1988, by virtue of the authority conferred by Sub-Part A, Part IV, Chapter 2, Title 2 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. The Airport District provides for the general maintenance, upkeep, and construction of property, plant and equipment of the Beauregard Parish Airport, DeRidder, Louisiana. The governing authority of the Airport District is a Board of Commissioners consisting of seven members selected by the Beauregard Parish Police Jury to serve a period of two years. The commissioners of the district receive no compensation for their services. The airport employees consist of five individuals that handle all maintenance and clerical work. The Airport District's boundaries include approximately four thousand acres located within the Parish of Beauregard, State of Louisiana.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Airport District No. 1 of the Parish of Beauregard is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Airport District No. 1 of the Parish of Beauregard. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Airport District No. 1 of the Parish of Beauregard reports the following proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Airport District No. 1

Notes to the Financial Statements (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing fuel, water, rentals, leases, and timber sales comprise the operating revenue of the District's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources as they are needed.

C. Cash and Cash Equivalents

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Airport District No. 1's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The district maintains a threshold level of \$5,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$0.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	40-50 years
Improvements other than buildings	10-40 years
Machinery and equipment	5-20 years

Airport District No. 1

Notes to the Financial Statements (Continued)

F. Compensated Absences

The district has the following policy relating to sick leave and annual leave:

Sick Leave

All permanent, full-time employees are eligible to receive five days sick leave per year. There can be no sick leave carried over from one year to the next. Upon termination of employment the employee will not be paid for unused sick leave.

Annual Leave

Permanent, full-time employees may earn annual leave. All annual leave must be scheduled no later than January 31st each year and approved in advance.

Annual leave will accrue as follows:

Required Length of Employment	Annual Leave Authorized
One year	One week / 5 days
Two – Four years	Two weeks / 10 days
Five – Ten years	Three weeks / 15 days
Eleven years & above	Four weeks / 20 days

Employees may accumulate and carry over a maximum of two weeks / 10 days from one year to the next. Any annual leave above the two weeks maximum must be taken prior to December 31st of each calendar year or be lost.

Any accumulated annual leave as of December 31st would be immaterial to the financial statements and has not been recorded.

G. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items to report as of December 31, 2009.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Airport District No. 1

Notes to the Financial Statements (Continued)

2. CASH AND CASH EQUIVALENTS

At December 31, 2009, the District has cash (book balances) totaling \$76,976 as follows:

Money market interest bearing demand deposits	\$ 76,676
Petty cash	300
Total	<u>\$ 76,976</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2009, the District has \$76,676 in deposits (collected bank balances). These deposits are secured from risk by \$76,676 of federal deposit insurance. State statutes relating to cash and cash equivalents are located at Note 1C.

3. RECEIVABLES

The receivables of \$11,548 at December 31, 2009, are as follows:

<u>Class of receivable</u>	<u>Fund</u>
Grants	\$ 3,758
Accounts	7,790
Total	<u>\$ 11,548</u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2009, for the primary government is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 177,259	\$ -	\$ -	\$ 177,259
Construction in progress	323,577	-	323,577	-
Total capital assets not being depreciated	<u>500,836</u>	<u>-</u>	<u>323,577</u>	<u>177,259</u>
Capital assets being depreciated				
Buildings	746,053	-	-	746,053
Improvements other than buildings	7,082,653	885,930	-	7,968,583
Machinery and equipment	608,662	2,750	-	611,412
Total capital assets being depreciated	<u>8,437,368</u>	<u>888,680</u>	<u>-</u>	<u>9,326,048</u>
Less accumulated depreciation for:				
Buildings	318,717	18,652	-	337,369
Improvements other than buildings	2,604,436	185,059	-	2,789,495
Machinery and equipment	414,119	12,981	-	427,100
Total accumulated depreciation	<u>3,337,272</u>	<u>216,692</u>	<u>-</u>	<u>3,553,964</u>
Total business-type assets being depreciated, net	<u>\$ 5,100,096</u>	<u>\$ 671,988</u>	<u>\$ -</u>	<u>\$ 5,772,084</u>

Airport District No. 1

Notes to the Financial Statements (Concluded)

5. ACCOUNTS AND OTHER PAYABLES

The payables of \$20,873 at December 31, 2009, are as follows:

Accounts	\$ 17,274
Salaries	3,599
Total	<u>\$ 20,873</u>

6. PENSION PLAN

Substantially all employees of Airport District No. 1 of the Parish of Beauregard are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The employees of the airport district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, PO Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 12.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contributions to the System under Plan A for the years ending December 31, 2009, 2008 and 2007, were \$10,166, \$7,626, and \$8,959, respectively, equal to the required contributions for each year.

OTHER REPORTS

**Schedule of Prior Year Audit Findings
Year Ended December 31, 2009**

Findings - Financial Statement Audit

There were no prior year audit findings reported as of December 31, 2008.

**Schedule of Current Year Audit Findings and Management's Response
Year Ended December 31, 2009**

Findings - Financial Statement Audit

There are no current year audit findings reported as of December 31, 2009.

Schedule of Expenditures of Federal Awards
December 31, 2009

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Federal Aviation Administration		
Airport Improvement Program	20.106	<u>\$534,242</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR December 31, 2009

NOTE - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Airport District No. 1 of the Parish of Beauregard and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

John A. Windham, CPA

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Airport District No. 1 of the Parish of Beauregard
State of Louisiana

I have audited the financial statements of the business-type activities of the Airport District No. 1 of the Parish of Beauregard, as of and for the year ended December 31, 2009, which collectively comprises the Airport District No. 1 of the Parish of Beauregard's, basic financial statements and have issued my report thereon dated May 21, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport District No. 1 of the Parish of Beauregard's, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Commissioners
Airport District No. 1 of the
Parish of Beauregard
State of Louisiana

This report is intended solely for the information and use of management, the Board of Commissioners, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

John U. Windham, CPA

DeRidder, Louisiana

May 21, 2010

John A. Windham, CPA

A Professional Corporation

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Airport District No. 1 of the Parish of Beauregard
State of Louisiana

Compliance

I have audited the compliance of Airport District No. 1 of the Parish of Beauregard with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. Airport District No. 1 of the Parish of Beauregard's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Airport District No. 1 of the Parish of Beauregard's management. My responsibility is to express an opinion on Airport District No. 1 of the Parish of Beauregard's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Airport District No. 1 of the Parish of Beauregard's compliance with those requirements and performing such other procedures as I consider necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Airport District No. 1 of the Parish of Beauregard's compliance with those requirements.

In my opinion, Airport District No. 1 of the Parish of Beauregard complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2009.

Internal Control Over Compliance

Management of Airport District No. 1 of the Parish of Beauregard is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Airport District No. 1 of the Parish of Beauregard's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. According, I do not express an opinion on the effectiveness of Airport District No. 1 of the Parish of Beauregard's internal control over compliance.

Board of Commissioners
Airport District No. 1 of the
Parish of Beauregard
State of Louisiana

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



DeRidder, Louisiana

May 21, 2010

Schedule of Findings and Questioned Costs
Year Ended December 31, 2009

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Airport District No. 1 of the Parish of Beauregard.
2. No instances of noncompliance material to the financial statements of Airport District No. 1 of the Parish of Beauregard were disclosed during the audit.
3. The auditor's report on compliance for the major federal award program for Airport District No. 1 of the Parish of Beauregard expresses an unqualified opinion on the major federal program.
4. The program tested as a major program included: Airport Improvement Program CFDA No. 20.106
5. The threshold for distinguishing Types A and B programs was \$300,000.